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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Updated financial position of closed peacekeeping missions as at 30 June 2016

Report of the Secretary-General

Summary

The present report provides information on the financial position of 29 closed peacekeeping missions as at 30 June 2016. Of those missions, five had net cash deficits, totalling $86.1 million (in comparison with $86.5 million as at 30 June 2015), as a result of outstanding payments of assessed contributions from Member States. The remaining 24 closed peacekeeping missions had net cash surpluses available for credit to Member States totalling $67.7 million (in comparison with 21 closed peacekeeping missions and a total of $70.0 million as at 30 June 2015).

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Abbreviations

MINURCAT	United Nations Mission in the Central African Republic and Chad
MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURSO	United Nations Mission for the Referendum in Western Sahara
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observer Mission in Angola
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
ONUB	United Nations Operation in Burundi
ONUCA	United Nations Observer Group in Central America
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
UNAMID	African Union-United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNISFA	United Nations Interim Security Force for Abyei
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISS	United Nations Mission in South Sudan
UNMISET	United Nations Mission of Support in East Timor

UNMIT	United Nations Integrated Mission in Timor-Leste
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOT	United Nations Mission of Observers in Tajikistan
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNSOS	United Nations Support Office in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNSMIH	United Nations Support Mission in Haiti
UNTAC	United Nations Transitional Authority in Cambodia
UNSMIS	United Nations Supervision Mission in the Syrian Arab Republic
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti

I. Introduction

1. The present report is submitted pursuant to resolution 57/323, wherein the General Assembly requested the Secretary-General to provide an updated report and make proposals on how to address the issue of outstanding dues owed to Member States from closed peacekeeping missions that were in net cash deficit. The report provides updated information on the financial position of closed peacekeeping missions since the previous report of the Secretary-General (A/70/552), in which an update was given regarding 26 closed peacekeeping missions and which the General Assembly deferred for consideration until its seventy-first session (decision 70/553 C). Since the issuance of the previous report, three additional peacekeeping missions have closed: the United Nations Mission in the Central African Republic and Chad (MINURCAT), the United Nations Integrated Mission in Timor-Leste (UNMIT) and the United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS).

2. The present report provides updated information on the financial position, as at 30 June 2016, of the following closed peacekeeping missions for which final performance reports have been issued: MINUGUA, MINURCA, ONUB, ONUCA and ONUSAL, ONUMOZ, UNAMSIL and UNOMSIL, UNAVEM and MONUA, UNIIMOG, UNIKOM, UNMEE, UNMIBH, UNMIH, UNMLT, UNMOT, UNOMIG, UNOMIL, UNOMUR and UNAMIR, UNOSOM, UNPF, UNPREDEP, UNSMIH, UNTMIH and MIPONUH, UNTAC, UNTAES and Civilian Police Support Group, UNTAET and UNMISET, UNTAG, UNMIS, UNMIT, MINURCAT and UNSMIS. Information on each closed peacekeeping mission is provided in annex I to the present report.

Background

3. The General Assembly has deferred consideration of the reports on the updated financial position of closed peacekeeping missions since its sixty-sixth session, in 2012, when the Secretary-General presented his report on the updated financial position of closed peacekeeping missions as at 30 June 2011 (A/66/665). The Secretary-General continues to provide updated financial information on an annual basis (see A/67/739, A/68/666, A/69/659 and A/70/552). The present report is the sixth such update.

4. As at 30 June 2002, there were 10 closed peacekeeping missions with a net operating deficit of $35.3 million. By 30 June 2016, that number had almost trebled to 29 closed peacekeeping missions with a net cash deficit of $18.4 million, resulting from the outstanding payment of assessments totalling $407.9 million gross ($296.9 million net of $109.6 million in credits and $1.4 million in overpayments).

II. Additional closed peacekeeping missions

United Nations Integrated Mission in Timor-Leste

5. The mandate of UNMIT was established by the Security Council in its resolution 1704 (2006) and extended by subsequent resolutions of the Council. The most recent extension of the mandate, authorized by the Council in its resolution

2037 (2012), ended on 31 December 2012. The administrative liquidation of UNMIT, including the disposal of assets, was carried out from 1 January to 30 June 2013. Information on the final disposition of the assets of UNMIT is contained in a report of the Secretary-General (A/69/589), which the General Assembly took note of in its resolution 69/298. The final performance report of UNMIT was submitted by the Secretary-General (A/70/560).

6. The General Assembly, in its resolution 70/275, decided to credit $9.1 million to Member States that had fulfilled their financial obligations to UNMIT, and also decided that updated information on the financial position of UNMIT was to be included in the present report.

United Nations Mission in the Central African Republic and Chad

7. The mandate of MINURCAT was established by the Security Council in its resolution 1778 (2007) and subsequently extended. That mandate ended on 31 December 2010, in accordance with Council resolution 1923 (2010). The administrative liquidation of MINURCAT, including the disposal of assets, was carried out from 1 January to 30 April 2011. Information on the final disposition of the assets of MINURCAT is contained in a report of the Secretary-General (A/69/596), which the Assembly took note of in its resolution 69/295. The final performance report of MINURCAT was submitted by the Secretary-General (A/70/559).

8. The General Assembly, in its resolution 70/270, decided to credit $35.1 million to Member States that had fulfilled their financial obligations to MINURCAT, and that updated information on the financial position of MINURCAT was to be included in the present report.

United Nations Supervision Mission in the Syrian Arab Republic

9. The mandate of UNSMIS was established by the Security Council in its resolution 2043 (2012) as from 21 April 2012 for an initial period of 90 days. By its resolution 2059 (2012), the Council renewed the mandate of UNSMIS for a final period of 30 days until 19 August 2012. The administrative liquidation of UNSMIS, including the disposal of assets, commenced on 20 August 2012, with the assets disposed of as at 15 September 2014. Information on the final disposition of the assets of UNSMIS is contained in a report of the Secretary-General (A/69/594 and Corr.1), which the General Assembly took note of in its resolution 69/304. The final performance report of UNSMIS was submitted by the Secretary-General (A/70/564).

10. The General Assembly, in its resolution 70/282, decided to credit $1.8 million to Member States that had fulfilled their financial obligations to UNSMIS, and that updated information on the financial position of UNSMIS was to be included in the present report.

III. Consolidated financial information

11. As at 30 June 2016, 24 of the 29 peacekeeping missions covered in the present report had net cash surpluses available for credit to Member States, totalling $67,663,000 (see table 1). At the end of June 2015, there were 21 closed peacekeeping missions and $70,019,000 in net cash (see A/70/552).

Table 1
Consolidated net cash position of MINURCAT, ONUB, ONUCA/ONUSAL, ONUMOZ, UNAMSIL/UNOMSIL, UNAVEM/MONUA, UNIIMOG, UNIKOM, UNMEE, UNMIBH, UNMIH, UNMIS, UNMIT, UNMLT, UNMOT, UNOMIG, UNOMIL, UNOMUR/UNAMIR, UNPF, UNPREDEP, UNSMIS, UNTAES/ Civilian Police Support Group, UNTAET/UNMISET and UNTAG as at 30 June 2016

(Thousands of United States dollars)

Category	*Amount*
Cash assets	203 326
Less: liabilities	(135 663)
Net cash available for credit to Member States as at 30 June 2016	**67 663**

12. At the end of June 2016, outstanding payments of assessments for those 24 closed missions amounted to $255,083,000. As at the same date, $22,406,000 in claims was owed to troop-contributing countries, along with $109,414,000 in credits and $1,392,000 of overpayments by Member States. The change in the total net cash available for credit to Member States from 30 June 2015 to 30 June 2016 is analysed in table 2 below.

Table 2
Change in net cash available for credit to Member States from 30 June 2015 to 30 June 2016

(Thousands of United States dollars)

Net cash available as at 30 June 2015	**70 019**
Additional closed missions (MINURCAT, UNMIT and UNSMIS)	2 252
Reimbursement of loans from active peacekeeping missions	13 000
Loans to active missions	(29 500)
Loans to closed missions (cash-deficit missions)	(191)
Investment and other revenue	1 420
Contributions received from Member States	8 375
Receipt of inter-fund balances	2 288
Net cash available as at 30 June 2016	**67 663**

13. At the end of June 2015, an amount of $23,500,000 was owed by two active peacekeeping missions: $6,000,000 by MINURSO and $17,500,000 by UNMIK. As

at 30 June 2016, the amount owed by these missions had increased to $40,000,000, comprising $13,500,000 owed by MINURSO and $26,500,000 owed by UNMIK.

14. Operating cash flows for active peacekeeping missions appear to have improved. By 31 October 2016, only one loan to UNMIK, in the amount of $9,500,000, was outstanding. It is not possible to discern whether the improvement reflects a steady downward trend in cross-borrowing, owing to the cyclical nature of such borrowing, which typically reaches its lowest point in the final quarter of the calendar year. Annexes II and III to the present report depict the levels of cross-borrowing and provide an analysis of monthly borrowings and settlements in active and closed peacekeeping missions, respectively, since July 2011. Peak levels of cross-borrowing during 2015 and 2016 nevertheless remained high; they were not the lowest experienced during the past five years.

15. In addition to the above, as at 30 June 2016 there were loans to closed peacekeeping missions which had cash deficits resulting from outstanding payment of assessments and therefore could not repay. The loans were for UNSMIH/UNTMIH/MIPONUH ($7,366,000), MINURCA ($3,518,000) and MINUGUA ($124,000). During the financial period, loans to closed missions with cash deficits were made to MINURCA ($67,000) and MINUGUA ($124,000) from UNPF to cover negative balances following the conversion from the Integrated Management Information System (IMIS) to Umoja. In addition, inter-fund payables and receivables in cash-surplus missions, totalling $2,288,000, were required to be settled with cash at the time of conversion to Umoja.

16. During the financial year, Member States settled outstanding assessments of $8,375,000, principally in respect of ONUB, ONUMOZ, UNAMSIL/UNOMSIL, UNTAET/UNMISET, UNOMIG, UNMEE and UNPF.

17. Investment and other revenues (mainly interest) of $1,420,000 were earned principally by UNPF, UNMIS, UNMIH and UNOMUR/UNAMIR, which had the largest holdings of cash and cash-equivalent assets during the financial year.

18. The total net cash balance of $67,663,000 as at 30 June 2016 is analysed for each of the 24 closed peacekeeping missions in table 3 below.

Table 3
Closed peacekeeping missions with net cash balances as at 30 June 2016

(Thousands of United States dollars)

Mission	*Amount*
MINURCAT	1 642
ONUB	1 365
ONUCA/ONUSAL	394
ONUMOZ	7 271
UNAMSIL/UNOMSIL	1 459
UNAVEM/MONUA	10 270
UNIIMOG	172
UNIKOM	129

Mission	*Amount*
UNMEE	2 026
UNMIBH	776
UNMIH	4 637
UNMIS	4 253
UNMIT	571
UNMLT	1
UNMOT	110
UNOMIG	463
UNOMIL	177
UNOMUR/UNAMIR	10 627
UNPF	17 350
UNPREDEP	560
UNSMIS	40
UNTAES	575
UNTAET/UNMISET	2 448
UNTAG	347
Total	**67 663**

19. As at 30 June 2016, 5 of the 29 peacekeeping missions covered in the present report had net cash deficits totalling $86,102,000, as shown in table 4 below. The deficit arose from outstanding payments of assessments in the total amount of $152,863,000.

Table 4
Consolidated net cash position of the MINUGUA Military Observer Group, MINURCA, UNOSOM, UNSMIH/UNTMIH/MIPONUH and UNTAC as at 30 June 2016

(Thousands of United States dollars)

Category	*Amount*
Cash assets	845
Less: liabilities	(86 947)
Net cash deficit as at 30 June 2016	**(86 102)**

20. The liabilities of the closed missions in cash deficit shown in table 4 above included loans of $23,828,000, comprising (a) $11,008,000 owed by UNSMIH/UNTMIH/MIPONUH, MINURCA and MINUGUA to closed peacekeeping missions (see para. 15 above) and (b) $12,820,000 owed by MINURCA to the Peacekeeping Reserve Fund since February 2000 as a result of insufficient cash resources in the mission. Liabilities also included claims owed to troop-contributing countries in the

amount of $62,944,000 (see annex IV) and other payables in the amount of $175,000 comprising credits owed to the former Yugoslavia.

21. The change in the net cash position for the five closed peacekeeping missions in cash deficit from 30 June 2015 to 30 June 2016 is presented in table 5 below.

Table 5
Change in the net cash position of closed missions in deficit from 30 June 2015 to 30 June 2016

(Thousands of United States dollars)

Net cash deficit as at 30 June 2015	**(86 475)**
Contributions received from Member States	390
Loans from closed missions (cash-surplus missions)	191
Settlement of inter-fund balances	(214)
Investment and other revenue	6
Net cash deficit as at 30 June 2016	**(86 102)**

22. The net cash deficit in the amount of $86,102,000 as at 30 June 2016 is analysed for each of the five closed peacekeeping missions in table 6 below.

Table 6
Closed peacekeeping missions with cash deficits as at 30 June 2016

(Thousands of United States dollars)

Mission	*Amount*
MINUGUA Military Observer Group	(124)
MINURCA	(23 817)
UNOSOM	(15 199)
UNSMIH/UNTMIH/MIPONUH	(7 269)
UNTAC	(39 693)
Total	**(86 102)**

IV. Cash requirements of the Organization and outstanding dues owed to Member States from closed peacekeeping missions that are in net cash deficit

23. Previous reports of the Secretary-General on the updated financial situation of closed peacekeeping operations have presented information on the historical unpredictability of receipts of assessed contributions, and on liquidity in peacekeeping missions, which has been volatile in the past.

24. Cash surpluses of closed missions continue to be used to alleviate the operational cash shortages of active peacekeeping operations. Cross-borrowing from closed missions totalled $51 million as at 30 June 2012, $41 million as at 30 June

2013, $31 million as at 30 June 2014, $23.5 million as at 30 June 2015 and $40 million as at 30 June 2016. At various times during the period from 1 July 2015 to 30 June 2016, cross-borrowings were carried out to meet the operational needs of two active peacekeeping missions, namely MINURSO and UNMIK. As at 30 June 2016, unpaid liabilities to troop-contributing countries owing to insufficient cash amounted to $131 million in six active peacekeeping missions, namely MINURSO, MONUSCO, UNAMID, UNMIL, UNISFA and UNSOS. Borrowings, settlements and peak levels of cross-borrowing from July 2011 to 31 October 2016 are shown in annexes II and III to the present report.

25. While there has been a noticeable decreasing trend of cross-borrowing from closed missions for active peacekeeping missions during the past five financial periods, some active missions, particularly MINURSO and UNMIK, are still facing cash shortages owing to outstanding assessments that require temporary borrowings from closed peacekeeping missions. As shown in figures I and II below, there is a strong relationship between unpaid assessments (diamond line) and the level of cross-borrowing (triangle line). This relationship is the reason why the two missions have to keep borrowing, owing to the delay in the payment of assessments and the consequent shortage of cash receipts.

Figure I

MINURSO: unpaid assessments and cross-borrowings (July 2011 to June 2016)

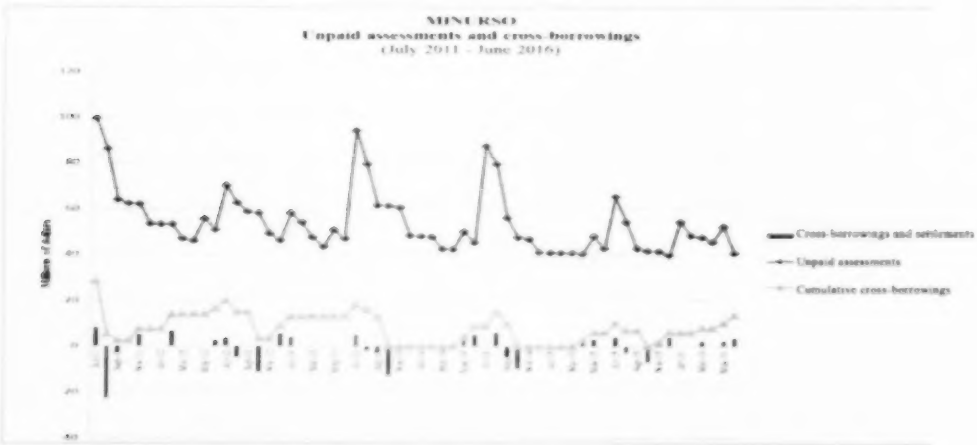
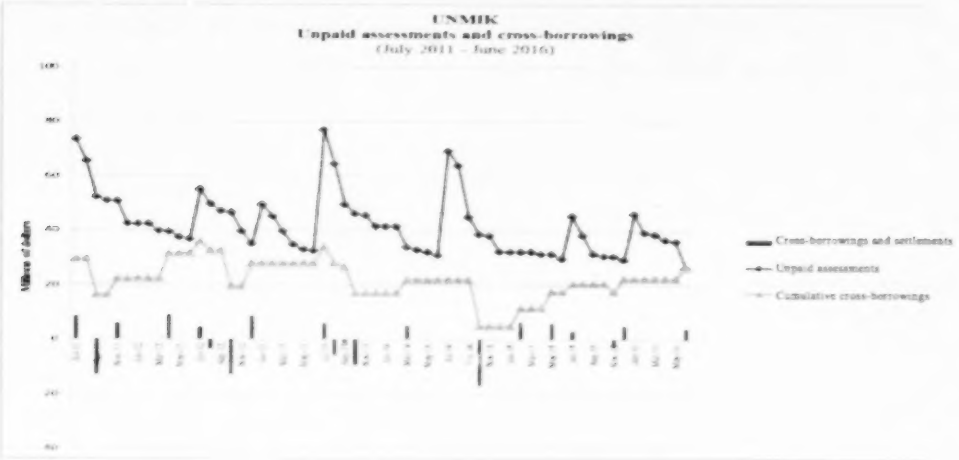


Figure II
UNMIK: unpaid assessments and cross-borrowings (July 2011 to June 2016)



26. As noted above, the General Assembly has deferred consideration of the reports of the Secretary-General on the updated financial position of closed peacekeeping missions since its sixty-sixth session. Within those reports, the Secretary-General has proposed a number of options to address the issues surrounding the cash deficits of both closed and active peacekeeping missions, which are still under consideration:

- Proposals to resolve the issue of outstanding debts in closed missions with cash deficits (A/66/665, A/67/739 and A/68/666)
- Proposal for temporary cross-borrowing from active missions (A/67/739, A/68/666, A/69/659 and A/70/552)
- Proposal to establish a working capital fund (A/68/666, A/69/659 and A/70/552).

V. Actions to be taken by the General Assembly

27. **The General Assembly is requested:**

(a) To take note of the present report;

(b) To consider the proposals of the Secretary-General to address the cash requirements of active peacekeeping operations;

(c) To allow the retention of the net cash balance of $67,663,000 available in 24 closed peacekeeping missions if no new mechanism is approved to address the cash requirements of active peacekeeping operations.

Annex I

Unpaid assessments, accounts payable to Member States and other liabilities of closed peacekeeping missions as at 30 June 2016

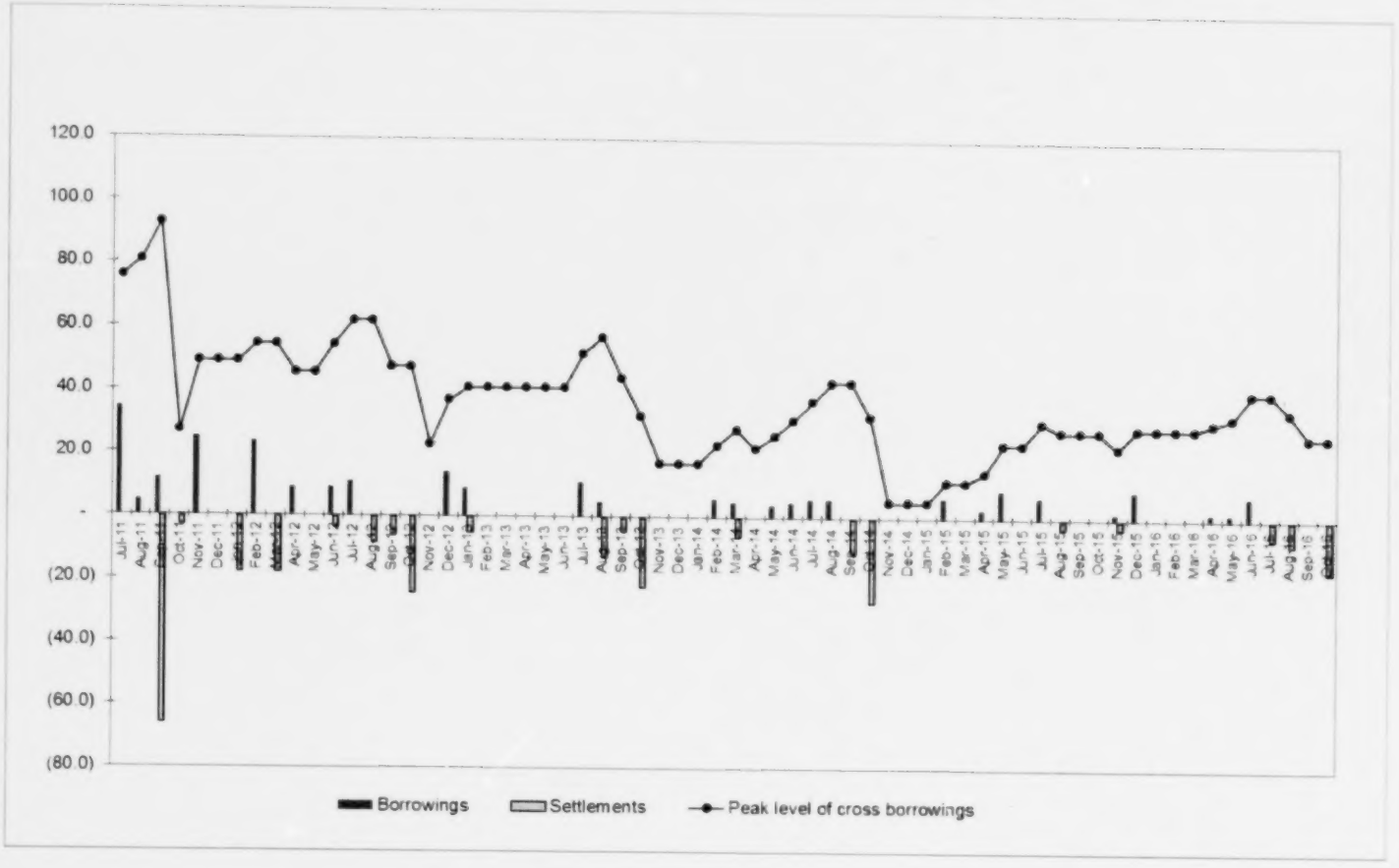
(Thousands of United States dollars)

		Accounts payable to Member States			
Mission	*Unpaid assessments*	*Amounts owed to troop- and police-contributing countries*	*Credits returnable to Member States*	*Overpayment*	*Other liabilities*
Surplus missions					
MINURCAT	222	(3 976)	(34 827)	(137)	(1 122)
ONUB	57	(46)	(323)	(593)	(47)
ONUCA/ONUSAL	78	–	(6)	–	–
ONUMOZ	9 498	–	(311)	–	–
UNAMSIL/UNOMSIL	178	(3)	(97)	(4)	–
UNAVEM/MONUA	34 864	–	(5 241)	–	–
UNIIMOG	3	–	(71)	–	–
UNIKOM	514	–	(962)	–	–
UNMEE	52	(39)	(127)	(29)	(71)
UNMIBH	33 835	–	(4 431)	–	–
UNMIH	9	(12 454)	(218)	–	–
UNMIS	2 614	–	(16 117)	(62)	(651)
UNMIT	372	–	(8 527)	(66)	(193)
UNMLT	–	–	(4)	–	–
UNMOT	–	(1)	(5)	–	–
UNOMIG	3 795	–	(183)	(448)	(14)
UNOMIL	2	–	(31)	–	–
UNOMUR/UNAMIR	1 263	–	(5 700)	–	–
UNPF	131 027	(3 299)	(20 228)	–	–
UNPREDEP	1 234	(2 588)	(3 487)	–	–
UNSMIS	46	–	(1 807)	(50)	(353)
UNTAES/Civilian Police Support Group	8 713	–	(4 734)	–	–
UNTAET/UNMISET	26 702	–	(1 851)	(3)	–
UNTAG	5	–	(126)	–	–
Subtotal	**255 083**	**(22 406)**	**(109 414)**	**(1 392)**	**(2 451)**
Deficit missions					
MINUGUA	145	–	–	–	(124)
MINURCA	35 538	(7 480)	–	–	(16 337)

Mission	*Unpaid assessments*	*Accounts payable to Member States*			
		Amounts owed to troop- and police-contributing countries	*Credits returnable to Member States*	*Overpayment*	*Other liabilities*
UNOSOM	57 572	(15 490)	(70)	–	–
UNSMIH/UNTMIH/MIPONUH	19 387	(114)	–	–	(7 367)
UNTAC	40 221	(39 860)	(105)	–	–
Subtotal	**152 863**	**(62 944)**	**(175)**	**–**	**(23 828)**
Total	**407 946**	**(85 350)**	**(109 589)**	**(1 392)**	**(26 279)**

Annex II

Borrowings by active missions from closed peacekeeping missions, 1 July 2011 to 31 October 2016



Annex III

Borrowings, settlements and peak levels of cross-borrowing by active missions from closed missions, 1 July 2011 to 31 October 2016

(Millions of United States dollars)

1 July 2011 to 30 June 2012

Month	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July	34.5	–	76	76
August	5.0	–	81	81
September	12.0	(66.0)	27	93
October	–	(3.0)	24	27
November	25.0	–	49	49
December	–	–	49	49
January	–	(18.0)	31	49
February	23.5	–	54.5	54.5
March	–	(18.0)	36.5	54.5
April	9.0	–	45.5	45.5
May	–	–	45.5	45.5
June	9.0	(3.5)	51	54.5

1 July 2012 to 30 June 2013

Month	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July	1.1	–	62.0	62.0
August	–	(8.5)	53.5	62.0
September	–	(6.0)	47.5	47.5
October	–	(24.5)	23.0	47.5
November	–	–	23.0	23.0
December	14.0	–	37.0	37.0
January	9.0	(5.0)	41.0	41.0
February	–	–	41.0	41.0
March	–	–	41.0	41.0
April	–	–	41.0	41.0
May	–	–	41.0	41.0
June	–	–	41.0	41.0

1 July 2013 to 30 June 2014

Month	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July	11.0	–	52.0	52.0
August	5.0	(13.0)	44.0	57.0
September	–	(4.5)	39.5	44.0
October	–	(22.5)	17.0	32.0
November	–	–	17.0	17.0
December	–	–	17.0	17.0
January	–	–	17.0	17.0
February	6.0	–	23.0	23.0
March	5.0	(6.0)	22.0	28.0
April	–	–	22.0	22.0
May	4.0	–	26.0	26.0
June	5.0	–	31.0	31.0

1 July 2014 to 30 June 2015

Month	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July	6.0	–	37.0	37.0
August	6.0	–	43.0	43.0
September	–	(11.0)	32.0	43.0
October	–	(27.0)	5.0	32.0
November	–	–	5.0	5.0
December	–	–	5.0	5.0
January	–	–	5.0	5.0
February	6.5	–	11.5	11.5
March	–	–	11.5	11.5
April	3.0	–	14.5	14.5
May	9.0	–	23.5	23.5
June	–	–	23.5	23.5

1 July 2015 to 30 June 2016

Month	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July	7.0	–	30.5	30.5
August	–	(3.0)	27.5	30.5
September	–	–	27.5	27.5
October	–	(7.0)	20.5	27.5
November	2.0	(3.0)	19.5	22.5
December	9.0	–	28.5	28.5
January	–	–	28.5	28.5
February	–	–	28.5	28.5
March	–	–	28.5	28.5
April	2.0	–	30.5	30.5
May	2.0	–	32.5	32.5
June	7.5	–	40.0	40.0

1 July 2016 to 30 October 2016

Month	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July	–	(6.0)	34.0	40.0
August	–	(8.0)	26.0	34.0
September	–	–	26.0	34.0
October	–	(16.5)	9.5	26.0

Annex IV

Outstanding claims owed to troop-contributing countries in closed missions with cash deficits as at 30 June 2016

(Thousands of United States dollars)

	Contingent-owned equipment	*Letters of assist*	*Total*
MINURCA	(7 477)	(3)	(7 480)
UNOSOM	(12 425)	(3 065)	(15 490)
UNSMIH/UNTMIH/MIPONUH	–	(114)	(114)
UNTAC	(20 322)	(19 538)	(39 860)
Total	**(40 224)**	**(22 720)**	**(62 944)**